(c) The principal reasons for decline in India's share in the world market include sharp increase in domestic demand outstripping increase in production unlike in other exporting countries, collapse of USSR market in 1992 and stiff competition from larger number of tea producing countries.

(d) Steps taken to boost export of value added teas include uninational promotional campaigns through Tea Board's offices abroad. The nature of schemes undertaken under uninational promotions are (i) Participation in trade fairs/exhibitions, (ii) Media campaign to increase consumer awareness towards various characteristics of Indian tea, (iii) Media campaign to popularise Indian tea through Tea Board marketing symbol, and (iv) Support to various foreign brands containing Indian tea. This is generally in the nature of bearing a portion of the expenditure incurred by importers to launch various promotional campaigns.

(e) Individual exporters of Indian tea export their own brand or their distributors' brand in international market. In accordance with export liberalisation policy of the Government a tea exporter has got the option to bid for the brand name of a foreign company either by way of purchasing of the company or by way of joint collaboration for expanding export base of branded package products from India. As such, there is no proposal to give a new common brand name to Indian teas.

Imports of capital goods

3157. SHRI RAMDAS AGARWAL : Will the PRIME MINISTER be pleased to state :

(a) whether it is a fact that import of capital goods have jumped from Rs. 11,116 crores in 1991-92 to Rs. 13,977 crores in 1992-93 a jump of 25.7 per cent as against this, exports from India have gone up only by 18.6 per cent viz. from Rs. 1,715 crores in 1991-92 to Rs. 2,035 crores in 1992-93;

(b) whether Government's attention has been drawn to a news item published in the Hindustan Times dated 31-7-93 captioned 'Capital Goods Post—IMF conditionalities hit Indian Industry' and reported statement of confederation of Indian Industry's Capital Goods Committee's Chairman, Shri S. K. Biglani's saying that the present duty structure alongwith the anomalies were part of Indian Government's bowing before IMF conditionalities/negotiations last year and also at the instance of the World Bank; and

(c) if so, what steps Government have taken so far to remove the anomalies in the import duty structure for capital goods which have rendered the Indian indigenous industry totally incompetitive?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION WITH ADDITIONAL CHARGE OF THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KAMALUDDIN AHMED): (a) According to the available statistics, import of machinery including project goods and professional instruments etc., increased from Rs. 11,073 crores in 1991-92 to Rs. 13,977 crores in 1992-93 registering a growth of 26.22 per cent. As against this, exports of engineering goods including projects goods went up by 33.63 per cent viz. from Rs. 4,868 crores in 1991-92 to Rs. 6,505 crores in 1992-93.

(b) and (c) The Government is aware of the news item referred to in part (b) of the Question. In the current Export and Import Policy, all capital goods, raw materials, intermediates, components, consumables etc. may be imported without any restriction except to the extent such imports are regulated by the Negative List of imports or any other law for the time being in force. Manufacturers of capital goods are allowed import of components freely. Under the Export Promotion Capital Goods Scheme, an export obligation to the extent of four times the value of the capital goods machines is imposed. In order to ensure that lower duties on imported machineries do not hurt the domestic capital goods industry, the import duty on components was lowered to 25 per cent *ad valorem* from a pre-budget rate of 35 or 40 per cent. In order, however, to ensure that domestic industries producing such components are not adversely affected, a countervailing duty of 10 per cent was imposed on such components with full facility of set off under MODVAT. Duties on capital goods, metal and metal goods, were reduced, as these are the basic raw materials of domestic capital goods industry.

Import targets set by STC

3158. SHRI SUNDER SINGH BHANDARI: Will the PRIME MINISTER be pleased to state:

(a) what are the canalised import targets set by STC during 1992-93; and

(b) the reasons for the fall in business of the STC and the steps that Government contemplates to increase the turnover?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION WITH ADDITIONAL CHARGE OF THE MINISTER OF STATE IN THE MINISTRY OF

COMMERCE (SHRI KAMALUDDIN AHMED): (a) Canalised import turnover target set by STC for 1992-93 was Rs. 733.00 crores.

(b) Total turnover of STC during the year 1992-93 is about Rs. 1,013.00 crores as compared to Rs. 1,315.00 crores during 1991-92. The decline in turnover is mainly attributable to lower canalised turnover on account of decanalisation of several export/import items and the reduced imports of edible oils, due to enhanced domestic availability.

Consequent upon the decanalisation of import and export of a number of items hitherto canalised through STC, Govt. have been reviewing the need to re-orient and re-structure STC in a manner consistent with the liberalised economy and the competitive environment. STC itself is in the process of formulating and implementing plans and strategies to adapt to the current environment laying greater emphasis on non canalised exports and imports and aims to achieve a turnover of Rs. 1,825.00 crores during the current financial year.

Indo-Pak Trade Relations

3159. SHRI KRISHNA KUMAR BIRLA: Will the PRIME MINISTER be pleased to state:

(a) what is the annual Indo-Pak Trade in terms of rupees during 1989-90, 1990-91 and 1991-92 and what are the principal items of exports to and imports from Pakistan;

(b) whether Government consider the Indo-Pak bilateral trade discriminatory in so far as India is concerned; and

(c) if so, what are the implications involved and what efforts have been made by Government to and the discriminatory trade relations?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION WITH ADDITIONAL CHARE OF THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KAMALUDDIN AHMED): (a) The annual Indo-Pak Trade in terms of rupee during 1989-90, 1990-91 and 1991-92 is as follows:—

(Rs. In lakhs)

	Export to Pakistan	Import from Pakistan
1989-90 . . .	5139.005	5378.76
1990-91 . . .	7360.36	8448.72
1991-92 . . .	9360.63	14997.14

The principal items of export to Pakistan from India during the last three years consisted of tea, spices, iron ore, drugs, pharmaceuticals and fine chemicals, dyes paints/enamels etc. The items imported during the last three years from Pakistan mainly consisted of fruits & nuts excluding cashewnuts, wool raw, oil seeds, textile yarn, fabrics, made-ups articles etc.

(b) Yes, Sir.

(c) Pakistan's policy to import from India is discriminatory since they allow selected number of items for being imported from India whereas India has accorded treatment of 'Most Favoured Nation' (MFN) to Pakistan to import from Pakistan. Accordingly, the balance of trade between India and Pakistan is not favourable to India.

In the second and third meeting of the Sub-Commission of Trade of Indo-Pakistan Joint Commission held in August, 1987 and July, 1989 respectively, India requested that MFN treatment should be accorded to Indian exporters by Pakistan in accordance with their obligations under GATT in order to facilitate free competition with other countries in items being imported by Pakistan. Further, India offered to send a delegation to Pakistan in the field of tea and textile machinery/components. It also suggested co-operation in the field of automotive components. In the third meeting of the Sub-Commission on Trade of Indo-Pakistan Joint Commission held in July, 1989. It was agreed to set up Joint Business Council and also to exchange delegations between the two countries to promote trade in a wide range of products as well as participation in trade fairs.

Visakhapatnam Export Processing Zone

3160. SHRI N. GIRI PRASAD: Will the PRIME MINISTER be pleased to state:

(a) whether Government has delayed in issuing notifications for Visakhapatnam Export Processing Zone (VEPZ) under Customs Act and Central Excise Act as free Trade Zone;

(b) whether Government received representation from the Government of A.P. for issuing the said notification; and

(c) when such notification is likely to be issued?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION WITH ADDITIONAL CHARGE OF THE MINISTER OF